

# CONSTITUENT WORK WEEK KIT

FEBRUARY 2011

“Loading up the nation with debt and leaving it for the following generations to pay is morally irresponsible. Excessive debt is a means by which governments oppress the people and waste their substance.”

*Thomas Jefferson*





# TABLE OF CONTENTS

The Pledge is the Plan.....	3
Historic Aspects of the Spending Cuts.....	4
The Cutting Board.....	5
The Debt In Perspective .....	6
Highlights of H.R. 1 (as introduced).....	7
Spending Talking Points.....	8
To Foster Job Growth Today... We Need to Cut Spending Immediately.....	10
Summary of H.Res. 72.....	13
H.Res. 72 - By the Numbers .....	14
POTUS Budget Highlights.....	15
MSU Upcoming Class Schedule .....	17
Additional Online Resources .....	18

# THE PLEDGE IS THE PLAN.

House Republicans continued to work towards fulfilling the Pledge to America:

## Cutting Spending Immediately

- We've changed the culture in Washington from one of weekly votes to increase spending to one of weekly votes to cut job-destroying spending.
- We conducted an open amendment process and delivered a spending bill that cut over \$100 billion of job-destroying spending.

## Create Jobs, End Economic Uncertainty, and Make America More Competitive

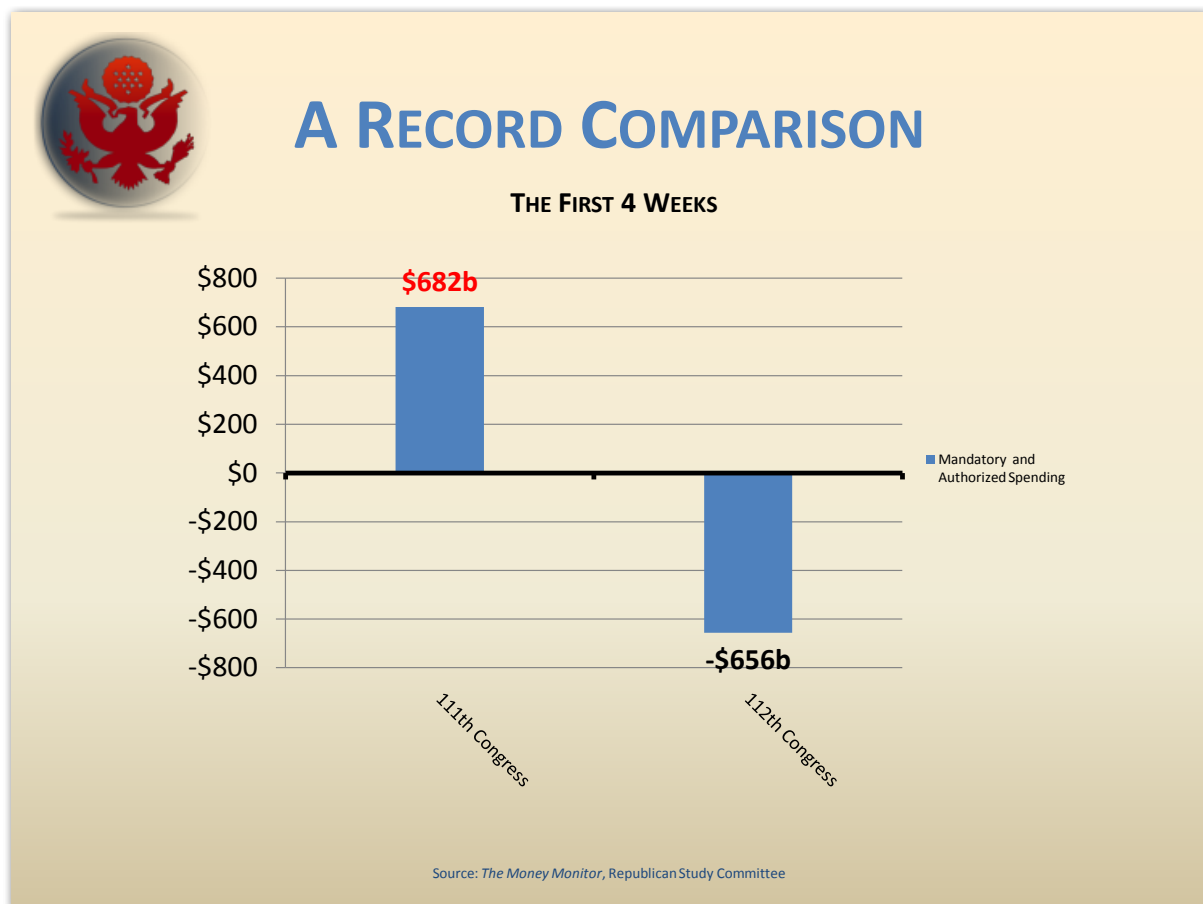
- We adopted H.Res. 72, a bill directing the committees to inventory and review federal agency rules and regulations that may unfairly harm the ability to create jobs and grow the economy.





# HISTORIC ASPECTS OF THE SPENDING CUTS









Even before the record-breaking spending reductions in this week's CR, House Republicans demonstrated a stark contrast in our first 4 weeks in office, in comparison to the first 4 weeks of the Democrat-controlled 111th Congress.



## –THE CUTTING BOARD–

### 112th Congress Spending Cuts

*I've helped change the culture in Washington from one of weekly votes to increase spending to one of weekly votes to cut job-destroying spending.*

-  I voted to cut Congressional budgets by five percent, saving \$35 million each year (H.Res. 22).
-  House Republicans have banned all earmarks. (House Republican Conference Rules for the 112th Congress).
-  I voted to cut new spending by \$2.6 trillion over ten years and reduce the deficit by \$700 billion when we repealed ObamaCare.
-  I voted to cut current government spending back to FY 2008 levels or less, which will reduce non-security discretionary spending to pre-stimulus, pre-bailout levels (H.Res. 38).
-  I voted to end the taxpayer funding of presidential election campaigns and party conventions, saving \$617 million (H.R. 359).
-  I voted to end the wasteful mandatory printing of bills introduced in Congress, saving the American taxpayers \$35 million (H.R. 292).
-  I voted to reclaim \$180 million in wasted funding for the United Nations Tax Equalization Fund (H.R. 519 – failed to pass the House).
-  I voted to cut over \$100 billion of spending in H.R. 1

# THE DEBT IN PERSPECTIVE

“I think the biggest threat we have to our national security is our debt.”

—Admiral Mike Mullen, Chairman of the Joint Chiefs, July 6, 2010.

“This debt is like a cancer... It is truly going to destroy the country from within.”

—Ersine Bowles, Former Clinton White House Chief of Staff, July 11, 2010.

“Achieving long-term fiscal sustainability will be difficult. But unless we as a nation make a strong commitment to fiscal responsibility, in the longer run, we will have neither financial stability nor healthy economic growth”

—Ben Bernanke, Federal Reserve Chairman, June 9, 2010.

“So much of their money will be devoted to keeping the government afloat that they’ll have relatively little for everything else in life. Their homes will be smaller and drabber. There will be less to spend for cars, vacations, dinners out and big TV sets, all of which their parents took for granted. They’ll still read about the consumer society and conspicuous consumption, but mainly in history texts.”

—David Walker, Former GAO Comptroller General February 1, 2010.

# CUTTING JOB-DESTROYING SPENDING

*H.R. 1 – Ending the job-destroying spending binge in Washington*

To foster job growth and to help save our children from national bankruptcy, House Republicans passed a spending bill this week that ends the job-destroying spending binge in Washington.

H.R. 1 is the largest reduction of non-security discretionary spending in the history of the United States. It is also the first time that a CR has contained spending reductions. With H.R. 1, House Republicans are delivering on our pledge to save taxpayers over \$100 billion dollars in our first year.

And this is just one more step on the road to fiscal stability. In the weeks and months to come, House Republicans will continue to significantly reduce spending in Washington.

Highlights of H.R. 1 as introduced include:

- Over \$100 billion in savings to the American taxpayer;
- \$81 billion in cuts to non-security programs;
- \$19 billion in cuts to security-related programs;
- Continued critical funding for national defense at a 2% increase over last year's level, giving military leaders certainty to continue successful operations and secure our nation;
- No new earmarks, and elimination of all previous earmark funding from FY2010, saving approximately \$8.5 billion;
- Elimination of any unobligated "stimulus" funding, saving as much as \$2 billion, including prohibition on using funds for "signage" promoting stimulus programs and projects;
- Prevention of funding to implement the onerous "1099" health care reform provision;
- Prohibition of funding for the so-called "Health Care Czar" and "Climate Change Czar";
- Restoration of the prohibition against federal funding of abortion and needle exchange programs;
- Elimination of funding for the Corporation for Public Broadcasting; and,
- Increase in funding for veterans disability claims.



# CUT SPENDING IMMEDIATELY

To grow our economy and protect our children from national bankruptcy, we've got to quit spending money we don't have.

Democrats' unsustainable spending is driving a debt crisis:

- The Democrats' \$1.64 trillion deficit will be an all-time record and the third straight year that deficits have been above \$1 trillion.
- The national debt under President Obama currently stands at \$14.1 trillion, the largest debt in US history.
- It took the US 220 years, from the presidencies of George Washington to Bill Clinton, to amass the amount of debt that Democrats added after just four years in power.
- The President proposes to double the national debt in 5 years and triple it in 10 years -- adding \$13 trillion to the national debt.
- Democrats have squandered an estimated \$1.16 trillion on their failed stimulus bill.
- The president's FY2012 budget proposes \$3.8 trillion in spending this year; 25.3 percent of GDP (highest since WWII). (Source: House Budget Committee)
- The president's budget proposes new entitlement spending, beyond assumed growth: \$404 billion. (Source: House Budget Committee)

Republicans are taking decisive action this week to reduce Washington spending:

- The CR contains over \$100 billion in cuts compared to the President's FY2011 request—fully meeting the spending reduction goal outlined in the Republican 'Pledge to America'.
- CR (as introduced) terminates 149 Federal Programs.
- The CR includes a provision to eliminate any unobligated "stimulus" funding approved in the American Recovery and Reinvestment Act, saving the taxpayers as much as \$2 billion. (Source: House Appropriations Committee)

And We're Just Getting Started!

- This will be one of many bills that will significantly reduce spending this year -- beginning a process that will grow the economy, provide a better environment to create jobs and maintain the American dream for our children and grandchildren.

# MESSAGING SPENDING

*Win The Battle At 30,000 Feet -- Not In The Trenches*



## *Humanize the Debate*

“I have never felt so embarrassed and ashamed about anything I have done in my life as I do about leaving this mess in the laps of Tyler and Kaytlin, my precious grandkids. I have written both of them a heartfelt apology for them to read when they get old enough to understand what I allowed our country’s governing authority to do to them.”

-TX-05 Grandfather

“I could not hire more employees or expand my business, and I would definitely have to close up shop. As a small business owner, I am very afraid of my future.”

-TX-05 Small Business Owner

## *We’re About Growth Economics -- Not Root Canal Economics*



*Play Offense, NOT Defense!*

# TO FOSTER JOB GROWTH TODAY... WE NEED TO CUT SPENDING IMMEDIATELY

Historic Debt → Historic Tax Increases → Historic Unemployment

## Where We Are

Democrat policies have resulted in the worst unemployment in more than a generation. Unemployment in the U.S. has been at or above 9 percent for 21 consecutive months, the longest such streak since the Great Depression. Since taking control of Congress, Democrats ballooned the gross national debt from \$8.67 trillion to \$14.1 trillion, an increase of \$5.43 trillion or 63 percent. It took the U.S. 220 years, from the presidencies of George Washington to Bill Clinton, to amass the amount of debt that Democrats added after just four years in power.

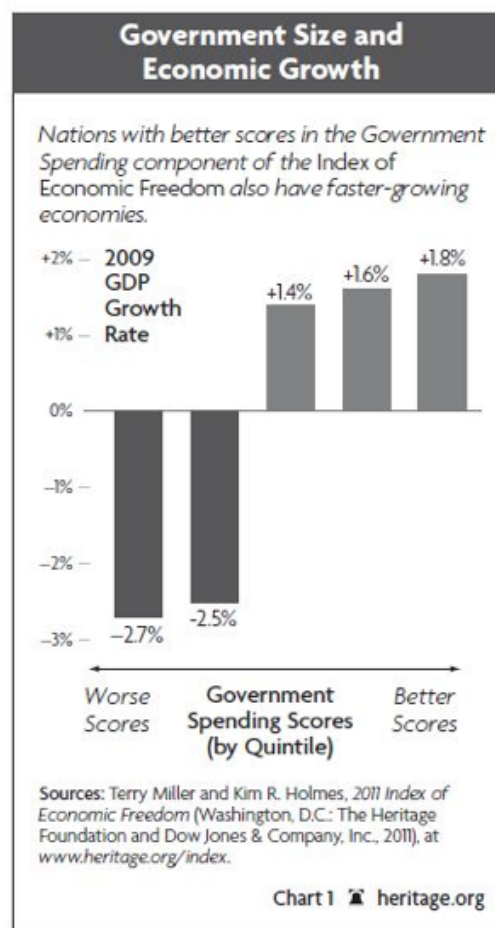
## Where Are We Headed

The Heritage Foundation's 2011 Index of Economic Freedom noted that government spending is correlated to economic growth. As the below exhibit indicates, countries with better scores in the "Government Spending" category also have faster-growing economies. Sadly, the U.S. scored a 56 in this category, eight points below the world average.<sup>1</sup>

Democrats' uncontrolled-spending has resulted in borrowing that future generations of Americans will be forced to pay back. Sadly, according to a study by the American Enterprise Institute, simply stabilizing debt levels—not reducing them—would require an immediate and permanent 23% increase in all federal tax revenues.

"To grow our economy and protect our children from national bankruptcy, we've got to quit spending money we don't have."

"Republicans are taking decisive action this week to reduce Washington spending."



<sup>1</sup> <http://www.heritage.org/index/Country/UnitedStates>

## *The Threat of Inaction*

“[I]t would be very helpful, even to the current recovery, to market confidence, if there were a sustainable credible plan for a fiscal exit.” –Ben Bernanke, Chairman of the Federal Reserve

As Drs. Carmen Reinhart and Kenneth Rogoff point out in their latest book, *Growth in a Time of Debt*, when a nation’s gross debt reaches 90 percent of GDP, the median loss of economic growth is 1 percent.

With most economists predicting growth for the U.S. in the range of 3 percent, the threat of continuing on the deficit- and debt-fueled path of President Obama and the Democrats would mean reducing our growth potential by one third. Countless jobs that would otherwise be created in an economic recovery will be choked by leviathan of government overspending.

The president’s recently submitted FY2012 budget included combined deficits between 2012 and 2021 totaling \$7.2 trillion. In order to completely eliminate our projected budget deficits through tax increases, everyone in the country, even small business owners that file at individual rates, would have to pay an additional \$23,180. Experts agree this is simply an unsustainable path for our nation’s finances.

“So much of their money will be devoted to keeping the government afloat that they’ll have relatively little for everything else in life. Their homes will be smaller and drabber. There will be less to spend for cars, vacations, dinners out and big TV sets, all of which their parents took for granted. They’ll still read about the consumer society and conspicuous consumption, but mainly in history texts.”—David Walker, Former GAO Comptroller General, February 1, 2010, on the future perils of public debt.

## *History Lessons*

*The Depression of 1946?*: In a 2010 article for the Cato Policy Report (Vol. XXXII, No. 3), economists Jason E. Taylor and Richard K. Vedder outlined the lessons of the largest public sector drawdown in the country’s history.<sup>2</sup> The cuts to government spending following WWII were quick and deep due to the rather unexpected ending to the war. Taylor and Vedder point out that federal spending fell from \$84 billion in 1945 to \$30 billion in 1946—a reduction of more than 60 percent! Yet despite the abundant warnings of economists that this withdrawal of Keynesian stimulus was sure to lead to a second Great Depression, civilian employment grew by over 4 million between 1945 and 1947, with unemployment remaining under 4.5 percent in the first three postwar years (below the long-run average rate during the 20th century). The article notes:

Household consumption, business investment, and net exports all boomed as government spending receded. The postwar era provides a classic illustration of how government spending “crowds out” private sector spending and how the economy can thrive when government’s shadow is dramatically reduced...the lesson from 1945–47 is that a sharp

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<sup>2</sup> [http://www.cato.org/pubs/policy\\_report/v32n3/cpr32n3-1.html](http://www.cato.org/pubs/policy_report/v32n3/cpr32n3-1.html)



reduction in government spending frees up assets for productive use and leads to renewed growth.

*Doing What Works:* A 2010 study by the International Monetary Fund (IMF) examined the previous attempts of various countries at rectifying fiscal imbalances. The study, “Strategies for Fiscal Consolidation in the Post-Crisis World,” included a key finding that “fiscal contraction has been more likely to raise output when cuts focus on government wages or transfers.”<sup>3</sup>

Indeed, the experiences of advanced economies indicated that “debt reduction would help keep interest rates in check, [and] foster medium- and long-term economic growth.” House Republicans’ budget for the remainder of the fiscal year 2011 makes a meaningful first step in that direction.

### *Lack of Hiring Incentives*

An August 2010 Wall Street Journal op-ed titled “Why I’m Not Hiring” deconstructed the analysis that a manager undertakes today in deciding whether to hire a new employee. Demonstrating that his business must spend \$74,000 to pay an employee a nominal salary of \$59,000 plus benefits, the business owner explains that his obligations to the government for the hire amounts to a 33 percent surtax each year.<sup>4</sup> One of the largest considerations in employment decisions is the effect of taxes on the costs of labor. Small business managers around the country sense that Democrats’ fiscal plans will force taxes on business owners to go in one direction: up.

According to data provided by the National Federation of Independent Business (NFIB), a recent study by Professor Paul D. Reynolds found that the average amount of “informal” start up costs for a small business is \$48,000.<sup>5</sup> With the massive tax burden potentially needed to stabilize our deficits and debt, what entrepreneur would be willing to take the risk of starting his or her own business and hiring workers? Alternatively, if bond markets begin to demand higher interest rates on U.S. debt and subsequently raise consumer borrowing costs, what business owner will be able to afford to expand his or her operation?

Instead of fostering a stable market for small businesses, Democrats have reflexively relied on deficit spending as a solution. These policies have failed to create jobs over the last two years and will fail to create jobs in the future. We can say one thing with confidence: historic deficits and debt lead to historic decreases in economic growth. House Republicans are united in the message of Speaker Boehner’s letter<sup>6</sup> to President Obama this week, echoing the 150 economists calling on the Administration and Democrats in Congress to reduce government spending immediately in order to create a more favorable environment for private-sector job creation—less spending, more jobs.

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<sup>3</sup> <http://www.imf.org/external/np/pp/eng/2010/020410a.pdf>

<sup>4</sup> [http://online.wsj.com/article/NA\\_WSJ\\_PUB:SB10001424052748704017904575409733776372738.html](http://online.wsj.com/article/NA_WSJ_PUB:SB10001424052748704017904575409733776372738.html)

<sup>5</sup> <http://onlinelibrary.wiley.com/doi/10.1111/j.1540-627X.2010.00313.x/abstract>

<sup>6</sup> <http://www.speaker.gov/blog/?postid=224851>

# CREATE JOBS, END ECONOMIC UNCERTAINTY, AND MAKE AMERICA MORE COMPETITIVE

*H.Res. 72 – A resolution directing the committees to inventory and review federal agency rules and regulations that may unfairly harm the ability to create jobs and grow the economy.*

By a vote of 391 to 28 on February 11, the House directed ten standing committees to inventory and review existing, pending, and proposed government regulations by agencies within their jurisdiction. While conducting the inventory and review, each committee is required to identify each regulation's effect on jobs and economic growth. Specifically, committees are required to identify and inventory regulations that do the following:

- Impede private-sector job creation;
- Discourage innovation and entrepreneurial activity;
- Hurt economic growth and investment;
- Harm the Nation's global competitiveness;
- Limit access to credit and capital;
- Fail to utilize or apply accurate cost-benefit analyses;
- Create additional economic uncertainty;
- Are promulgated in such a way as to limit transparency and the opportunity for public comment, particularly by affected parties;
- Lack specific statutory authorization;
- Undermine labor-management relations;
- Result in large-scale unfunded mandates on employers without due cause; or
- Impose undue paperwork and cost burdens on small businesses.

Federal regulations increase the cost of doing business and destroy jobs. Ultimately, the cost of federal regulations to small businesses must either be passed on to the consumer or workers, either in the form of lower wages or a shortage of jobs that would have been otherwise paid for with money spent complying with federal regulations.

With H.Res. 72, House Republicans and all but 28 Democrats voted to take the critical first step in removing onerous regulations and red tape that tie the hands and finances of employers large and small.

# CREATE JOBS, END ECONOMIC UNCERTAINTY, AND MAKE AMERICA MORE COMPETITIVE

*H.Res. 72 – By the Numbers*

<b>21</b>	Number of straight months of unemployment at 9% or higher <sup>7</sup>
<b>243</b>	Number of expected rulemakings from the Democrats’ permanent bailout of Wall Street <sup>8</sup>
<b>Inestimable</b>	Number of regulations expected to come from ObamaCare’s government takeover of health care <sup>9</sup>
<b>\$26.5 billion</b>	Total economic cost of the unprecedented 43 major regulations imposed by the Obama Administration in FY2010 <sup>10</sup>
<b>6,123</b>	Additional pages’ worth of regulations and Federal Register notices in the first 9 months after passage of ObamaCare <sup>11</sup>
<b>\$1.75 trillion</b>	Annual total regulatory costs to American businesses, nearly twice as much as all individual income taxes collected in 2010 <sup>12</sup>
<b>\$10,585</b>	Cost in federal regulations each year per worker in a small business with fewer than 20 employees <sup>13</sup>
<b>36%</b>	Average additional cost per employee that small businesses incur relative to larger firms, to comply with federal regulations <sup>14</sup>
<b>99.7%</b>	Percentage of American businesses that qualify as a “small business” with fewer than 20 employees <sup>15</sup>
<b>64%</b>	Percentage of jobs created by small businesses over the past 15 years <sup>16</sup>

<sup>7</sup> Bureau of Labor Statistics. <http://bls.gov/cps>

<sup>8</sup> Wall St. Journal Review and Outlook, the Uncertainty Principle, June 14, 2010. <http://online.wsj.com/article/SB10001424052748704288204575363162664835780.html>

<sup>9</sup> Ibid.

<sup>10</sup> James Gattuso, Diane Katz and Stephen Keen, Red Tape Rising: Obama’s Torrent of New Regulation. The Heritage Foundation. October 16, 2010. <http://www.heritage.org/Research/Reports/2010/10/Red-Tape-Rising-Obamas-Torrent-of-New-Regulation>

<sup>11</sup> Nicole V. Crain and W. Mark Crain, The Impact of Regulatory Costs on Small Firms. The Small Business Administration Office of Advocacy. September 2010. <http://archive.sba.gov/advo/research/rs371tot.pdf>

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

<sup>15</sup> Small Business Committee Office of Advocacy Frequently Asked Questions. <http://www.sba.gov/advocacy/7495/8420>

<sup>16</sup> Ibid.

# POTUS BUDGET HIGHLIGHTS

*(Courtesy of the Budget Committee)*

## THE PRESIDENT'S BUDGET SPENDS, TAXES, AND BORROWS TOO MUCH – STIFLING JOB GROWTH TODAY AND THREATENING OUR ECONOMIC FUTURE

In challenging times, a chief executive must lead. But President Obama has failed to confront the fiscal and economic challenges before us. Instead, he continues down the same unsustainable path: growing the government, weakening the economy, and increasing the burden of debt on each and every American.

### **Spends Too Much: \$8.7 Trillion In New Spending**

Despite this year's \$1.6 trillion deficit, the President still refuses to change course and reduce spending. Under his budget, the size of government will nearly double since the day he took office. Ignoring both economists' warnings and the public's demands for restraint, the President's explosive growth of government crushes private-sector investment, fuels uncertainty for job creators, and guarantees a less prosperous future for all Americans.

The price tag of the President's budget for the next ten years:

### **Total spending: \$46 trillion; \$8.7 trillion in new spending**

New entitlement spending, beyond assumed growth: \$404 billion

Increase in non-defense discretionary spending since 2008: 24% (excluding stimulus)

Increase in discretionary spending above President's own deficit commission: \$353 billion

Spending this year under the President's budget: Record \$3.8 trillion; 25.3% of GDP (highest since WWII)

### **Taxes Too Much: \$1.6 Trillion In New Taxes**

The President's big-government vision imposes a heavy cost: diminishing economic opportunity through massive tax hikes that depress wages and stifle job creation at a time when millions of Americans remain out of work. In total, the President's budget imposes \$1.6 trillion in new taxes on families, small businesses, and job creators, including:

Income tax hike: \$919 billion

Death tax hike: \$118 billion

Transportation tax hike: \$435 billion



## **Borrows Too Much: \$13 Trillion Added To The Debt**

Despite the urgent need to rein in our runaway debt, the President's budget doubles debt held by the public by the end of his term and triples it ten years after he was sworn in. Gross debt will eclipse the size of the entire economy this year and remain above 100% of GDP for every single year that follows. This crushing burden of debt is depressing economic growth today, yet the President's budget fails to seriously meet this challenge and instead accelerates our country down the path to bankruptcy:

New debt: \$13 trillion

Gross debt by end of decade: \$26.3 trillion (107% of GDP)

Annual interest payments by end of the decade: \$844 billion

Total interest payments on debt: \$5.7 trillion

## **A Failure Of Leadership**

The President's budget represents an abdication of leadership by failing to address the drivers of our debt crisis and the unsustainability of our entitlement programs. He even ignores the recommendations of his own bipartisan fiscal commission while continuing to increase spending across the board. Instead of fulfilling his campaign promise to cut the deficit in half in his first term, the President's budget doubles the debt over that same period of time. We are racing in the wrong direction and the President's foot remains stuck on the pedal.

The unsustainable growth of government dims the economic prospects of millions of Americans by reducing jobs, discouraging new investments, and threatening our nation's financial security. The true cost of the President's budget goes beyond the trillions of dollars squandered – it also includes lost opportunities for future Americans because this President chose to hide from tough choices and retreat from the principles that have made America great.

# MSU UPCOMING CLASS SCHEDULE

Course	Professor	Dates
<i>Reagan School of Communications</i>		
Mano y Mano w the Media: a Course for you and your press secretary	Marsha Blackburn	March 30 <sup>th</sup> at 4 PM & April 6 <sup>th</sup> at 4 PM
Energize Your Audience - Making Your Speeches Stronger in Content and Delivery	Mike Pence	February 16 at 3 PM & March 15 at 4 PM
You're Never Too Old for New Media: Part One for New and Social Media	Cathy McMorris Rodgers	March 1 at 3:30 PM & March 9 at 2:30 PM
<i>Adams School of Constituent Services</i>		
Maximizing Effective Earned Media: Making the Most of Your Constituent Work Week	Kevin Brady	March 2 at 2 PM & March 10 at 2:30 PM
"I Hear You" – Mastering the Art and Science of Constituent Response	Peter Roskam	March 9 at 4:30 PM & March 16 at 2 PM
Let Your Fingers Do the Walking – Hosting a Successful Teletown Hal for You and Your Constituents	Dan Lungren	TBA
<i>School of Policy</i>		
From Your Head to the Hopper – Introducing Your First (a) Bill	Tom Price	March 31 at 3:30 PM & April 5 at 4:30 PM
<i>School of Ethics</i>		
Avoiding a Financial Fiasco – Successfully Completing Your 2011 Disclosure	House Ethics Committee Staff	April 13 at 4pm & April 14 <sup>th</sup> at 3 pm

# ADDITIONAL ONLINE RESOURCES

Note: Members who wish to use any of these resources should be aware that outside printing expenses over \$350 must be submitted for pre-approval to the Franking Commission. Please contact the Committee on House Administration at (202) 225-8281 with any questions.

## Pledge Checklist

## First 4 Weeks Comparison

### PLEDGE TO AMERICA FEBRUARY ACCOMPLISHMENTS

#### ✓ CUTTING SPENDING IMMEDIATELY

#### ✓ CREATE JOBS, END ECONOMIC UNCERTAINTY, AND MAKE AMERICA MORE COMPETITIVE

### CUTTING SPENDING IMMEDIATELY

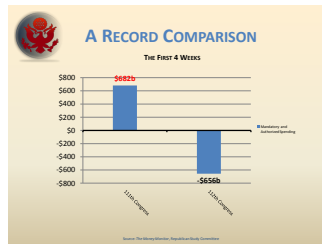
- ✓ I've helped change the culture in Washington of weekly votes to increase spending to one of weekly votes to cut job-destroying spending.
- ✓ We conducted an open amendment process and delivered a spending bill that cut over \$100 billion of job-destroying spending.

**A RECORD COMPARISON**  
The First 4 Weeks

111 <sup>th</sup> Congress	112 <sup>th</sup> Congress
State Children's Health Insurance Program	Banned all earmarks
TARP Reform and Accountability Act	Reduced Congressional Office Budgets
American Recovery & Reinvestment Act (stimulus)	Stop the Overprinting Act
	Eliminating the Presidential Campaign Fund Act
	Repealing the Job-Killing Healthcare Law Act
	Cutting non-security discretionary spending to pre-stimulus, pre-bailout levels

### CREATE JOBS, END ECONOMIC UNCERTAINTY, AND MAKE AMERICA MORE COMPETITIVE

- ✓ We adopted H.Res. 72, a bill directing the committees to inventory and review federal agency rules and regulations that may unfairly harm the ability to create jobs and grow the economy.



## “Cutting Board” Checklist

## “Current Policies Unsustainable”

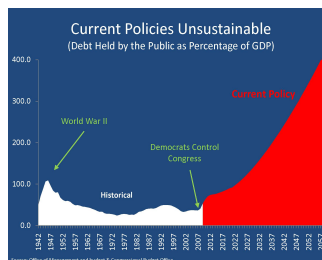
### THE CUTTING BOARD 112<sup>th</sup> CONGRESS SPENDING CUTS

I've helped change the culture in Washington of weekly votes to increase spending to one of weekly votes to cut job-destroying spending.

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- ✓ House Republicans have banned all earmarks. (House Republican Conference Rules for the 112th Congress).

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- ✓ I voted to cut new spending by \$2.6 trillion over ten years and reduce the deficit by \$700 billion when we repealed ObamaCare.
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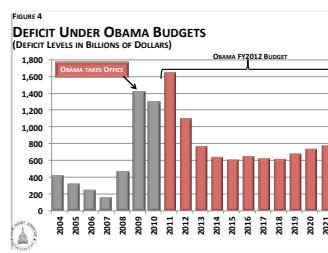
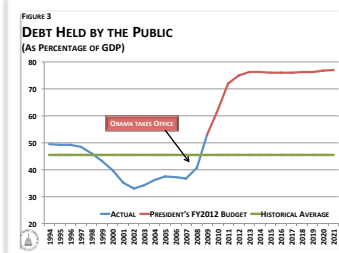
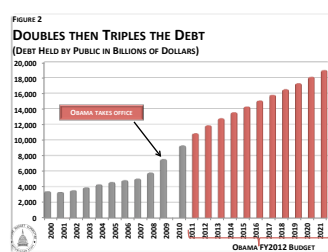
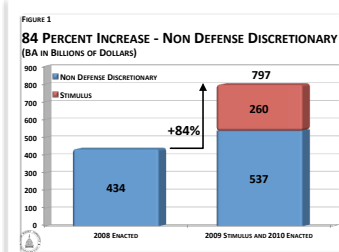
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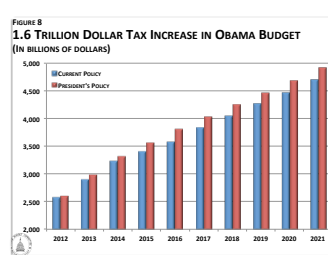
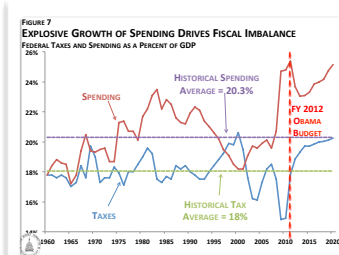
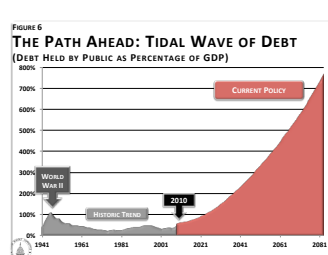
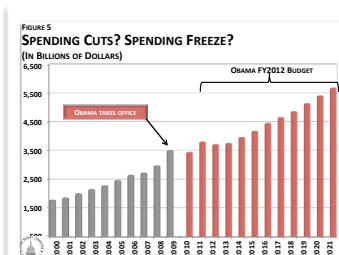
As of press time, cuts contained in the CR were over \$100 billion and counting... bringing the total savings under the House Republican majority to approximately \$756 billion.

Courtesy of the Budget Committee –  
Obama Budget and Economy slides

Conference Video: “Reality Check”



Member Services University –  
Spending Reduction Messaging  
Session – Professor: Jeb Hensarling





### Democrats' unsustainable spending is driving a debt crisis

- The President's budget projects that in the fourth year of Democrat budgeting, the deficit for 2011 will be \$1.64 trillion or 10.9 percent of GDP.
- The \$1.64 trillion Democrat deficit will be an all-time record and the third straight year that deficits have been above \$1 trillion.

### Democrats' unsustainable spending is driving a debt crisis

- Prior to Democrats taking control of the White House and Congress, the highest deficit in history was \$458 billion in 2008. This year's deficit will be 323 percent higher.
- Democrats have squandered an estimated \$136 trillion on their failed stimulus bill—\$821 billion for the cost of the bill and \$147 billion to pay the interest on the borrowed money.

### Democrats' unsustainable spending is driving a debt crisis

- Despite Democrat claims that the stimulus would create jobs, unemployment has been at or above 9 percent for 21 consecutive months for the first time since the Great Depression.
- Since taking control of Congress, Democrats have ballooned the gross national debt from \$8.67 trillion to \$14.1 trillion, an increase of \$5.43 trillion or 63 percent.

### Democrats' unsustainable spending is driving a debt crisis

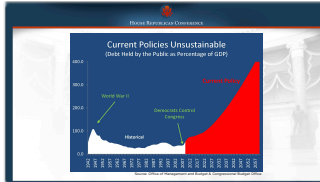
- It took the U.S. 220 years, from the presidencies of George Washington to Bill Clinton, to amass the amount of debt that Democrats added after just four years in power.

### Democrats Have Increased The Debt At Record-Breaking Levels

- The national debt is currently \$14.1 trillion.
- By 2021, the gross national debt—which includes inter-governmental accounts—is estimated to reach \$26.3 trillion, a ten-year increase of \$12.2 trillion or 86 percent.

### Democrats' unsustainable spending is driving a debt crisis

- By 2021, the gross national debt will be 107 percent of national GDP.
- The national debt is \$120,000 for every household in the U.S., and \$45,000 for every man, woman & child in the country.



"I think the biggest threat we have to our national security is our debt."

Admiral Mike Mullen  
Chairman of the Joint Chiefs  
July 6, 2010

"This [entitlement spending] could trigger an economic and political death spiral."

Robert Samuelson  
April 6, 2005

"This debt is like a cancer... It is truly going to destroy the country from within."

Erskine Bowles  
Co-Chairman of the White House Fiscal Responsibility Commission  
Former Clinton White House Chief of Staff  
July 11, 2010

"U.S. fiscal policy is unsustainable, and unsustainable to an extent that it can't be solved through minor changes."

Douglas Elmendorf  
Director of the Congressional Budget Office  
April 8, 2010

### The Democrats' Spending Driven Debt Crisis Threatens Our Children

"So much of their money will be devoted to keeping the government afloat that they'll have relatively little for everything else in life. Their homes will be smaller and drabber... They'll still read about the consumer society and conspicuous consumption, but mainly in history texts."

David Walker  
Former GAO Comptroller General  
February 1, 2010

### The Democrats' Spending Driven Debt Crisis Threatens Our Economy

"[I]t would be very helpful, even to the current recovery, to market confidence, if there were a sustainable credible plan for a fiscal exit."

Ben Bernanke, Chairman of the Federal Reserve

### Republicans are taking decisive action this week to reduce Washington spending.

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- The CR contains over \$100 billion in cuts compared to the President's request—fully meeting the spending reduction goal outlined in the Republican 'Pledge to America'.
- CR terminates 149 Federal Programs.

### Republicans are taking decisive action this week to reduce Washington spending

- The CR includes a provision to eliminate any unobligated "stimulus" funding approved in the American Recovery and Reinvestment Act, saving the taxpayers as much as \$2 billion.

### Democrats' unsustainable spending is driving a debt crisis

- The Democrats' **\$1.64 trillion** deficit will be an all-time record and the third straight year that deficits have been above \$1 trillion.
- The national debt under President Obama currently stands at **\$14.1 trillion**, the largest debt in US history.

### And We're Just Getting Started!

- This will be one of many bills that will significantly reduce spending this year -- beginning a process that will grow the economy, provide a better environment to create jobs and maintain the American dream for our children and grandchildren.

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